Housing Market Study
B. C. Place

(EXECUTIVE SUMMARY)

Vancouver
British Columbia

Urbanics Consultants Ltd.

·VRBANICS·

November 2, 1981

Mr. D. R. Podmore
Director of Planning and Design
B. C. Place
2100 - 650 West Georgia Street
Vancouver, B. C.
V6B 4N9

and

Mr. Max Beck
Director of Social Planning/
Mr. Dan Cornejo
Senior Planner
City of Vancouver
453 West 12th Avenue
Vancouver, B. C. V6Y 1V4

Dear Sirs:

Re: B. C. Place Housing Study

The following report, prepared jointly for the City of Vancouver and B. C. Place, represents a housing market study for the B. C. Place site.

The primary objective of this study is to determine the magnitude, nature and phasing of residential development on B. C. Place purely on the basis of market demand considerations. Although this study is essential to identify market potentialities, it is only the initial step in formulating the optimal housing mix programme for B. C. Place. Subsequent steps must examine the reasonableness of the market-rationalized recommendations from a social and economic perspective and accordingly, suggest the adjustments required to produce a "best fit" residential matrix for the site.

In fulfilling the primary objective of the market study, the analysis commenced with an examination of the major supply and demand parameters of the Greater Vancouver Regional District (GVRD) housing market. In turn, estimates were made as to the share of demand that should be accommodated first, in the City of Vancouver and secondly, in B. C. Place.

The background statistical material upon which this report is based comes principally from provincial and municipal government publications. This data base has been supplemented by meetings with local housing officials and public sector staff members as well as research undertaken by the Consultant.

Any market study is necessarily predicated upon a set of assumptions regarding the future business environment. Most of these assumptions are quite specific and will thus be referred to at the appropriate places throughout the text of this report. A few are of a more general nature, however, and serve to establish the context within which the market study operates. In the present instance, the validity of this report's findings and recommendations depends upon the following premises:

1. That during the period covered by this report, the economy of Canada in general and the economies of British Columbia and Vancouver in particular, will continue to expand at or near their medium to long-term growth rate potential;

2. That the various population, household and employment estimates contained in this report will not differ substantially from the actual numbers attained in the forecast years.

Should any major changes, presently unforeseen, invalidate any one of the above-stated premises, then a review of the findings and recommendations contained in this report would be advisable.

Yours very truly,

Cathy Giles
Vice-President

encl.

CG/it

EXECUTIVE SUMMARY

OBSERVATIONS

GVRD

1. Based on Greater Vancouver Regional District estimates the GVRD's population should approximate 1,145,000 persons in 1981, in excess of 1.2 million by 1991 and approximately 1.3 million by 2001. These levels represent a rate of growth that should approximate 8,000 to 9,000 additional persons per annum, or slightly less than corresponding figures of the past ten years.

2. Over the past ten years the GVRD's residential growth has occurred predominantly in the southern municipalities of Richmond, Delta and Surrey/White Rock. Over the next ten years, a directional shift in residential growth is likely to occur with the northeast sector (Coquitlam /Port Coquitlam / Port Moody) slated to undergo extensive single-family and multi-family development.

   It is interesting to note that almost all of the acreage involved is provincially owned (eg. Westwood Plateau, Burke Mountain and River View).

3. On an overall basis, plans to accommodate approximately 57,000 new housing units in the GVRD--excluding Vancouver--and--excluding infilling—have been identified at this time. According to implementation progress to date, approximately 20,000 units could come on stream between 1981-1986 and a further 22,500 units between 1986-1991 if sites were developed and marketed as revealed in preliminary plans.

4. The GVRD's future age groupings should be strongly influenced by the maturing of the "baby boom" generation. Over the next twenty years unprecedented large numbers of persons will be within the 25 to 49 year age groups, whereas previously the less than 25 year olds dominated the GVRD population.

   For sub-areas of the GVRD, population ages profiles will vary because of employment, housing supply or lifestyle conditions. The more urbanized and prime areas—such as the City of Vancouver—tend to attract a large number of young working people and senior citizens; whereas the more suburban, less developed and less expensive municipalities contain the larger proportion of families with children.

5. It is forecast that average household size in the GVRD will continue to decline over the next twenty years, but the rate at which this

occurs will be moderated because of an anticipated slowdown in increases in "uncoupling" and some anticipated increases in birth rates. Specifically, average household size for the GVRD, estimated at 2.64 for 1981, should drop to 2.44 by 1991 and 2.39 by 2001.

6. Over time, the growth in preference for attached type of units in the GVRD should exceed that for traditional single-detached units primarily because of affordability and lifestyle requirements.

7. Owning one's own accommodation has developed as the preferred form of tenure. The extent to which this is actually realized is related to affordability and supply factors. Between 1976 and 1981 it is estimated that ownership levels in the GVRD increased from 59 percent to 62 percent, with the primary reason being an increase in the supply of alternative and, at the time, less expensive forms of housing, ie. condominiums. For the post-1981 study years, it is expected that current tenure patterns should generally be maintained in the GVRD.

8. Although it would have been preferrable to include an examination of the income characteristics of GVRD residents in the analysis, because the most recent comprehensive statistics are based on the 1971 Census, a formal discussion has not been included in this market study.

9. Demand for total new housing units in the GVRD over the next five years should approximate 43,000 units; between 1986-1991 an additional 46,000 units are warranted. For the 1991-1996 and 1996-2001 periods the corresponding figures approximate 35,000 units and 32,000 units, respectively.

Housing Assistance

10. A strong prevailing characteristic of almost all of the programmes that have been in existence for several years is that they have simply "lost their original effectiveness." Their level of assistance has remained fixed through times of rapidly increasing housing costs.

Vancouver City

11. Urbanics Consultants Ltd. estimates the 1981 population for the City of Vancouver at 403,200 persons--which represents a slight decline from 1976.

This calculation implies that continued uncoupling and movement of families from the City (which has been a trend for several years) has occurred.

Supporting the observation in the historic movement of families are Census figures. Specifically, within the City of Vancouver the proportion of total households attributable to families with children has dropped from approximately 58,000 households in 1966--to approximately 56,000 households in 1971—to approximately 55,000 households in 1976.

12. Urbanics Consultants Ltd. has estimated that in 1981 there are 170,105 households in Vancouver. We recognize this figure is lower than that quoted by the City of Vancouver because our estimate of illegal suites is more conservative. Nevertheless, this small difference does not significantly affect the final results of any of the analyses.

13. Between 1976 and 1981 it is estimated that total headship rates in each ten year age cohort have likely increased in view of the assumed growth in non-family households. This implies that the City of Vancouver currently accommodates a greater number of smaller households than in 1976.

14. With the exception of those 15-24 years of age, it is felt the population in the City of Vancouver displayed a stronger propensity for occupying apartment units in 1981 than in 1976--with an opposite tendency toward single detached units.

15. It is apparent that Vancouver City currently accounts for a lower share of the GVRD's occupied total housing stock than in 1976. Specifically, five years ago the City's stock represented 42 percent of the total GVRD occupied housing units as compared to approximately 39 percent in 1981.

16. The City does, however, still dominate as the apartment building centre--containing slightly above 53 percent of the GVRD occupied stock.

17. Non-market housing in the City of Vancouver represents a small portion (slightly less than 10 percent of the occupied stock) of total supply and expands more as a function of available land and funding than in response to total demand.

    Based on projects under construction it is estimated that by the end of 1981 the City of Vancouver will contain 15,310 units of non-market housing. In terms of locations, the largest concentrations exist within well-designed, well-integrated enclaves in False Creek South and Champlain Heights.

18. In 1976, Vancouver City contained approximately 22,000 condominium apartment units, of which 64 percent were rented. Based on an

informal survey conducted amongst the City's major condominium mangement firms it was revealed that this precentage is now somewhere between 25-50 percent.

19. With regard to potential increases to Vancouver's housing supply, because of developable land constraints and changing consumer preferences future development will be predominantly multi-family and more innovative, particularly in the Downtown area. Within the Downtown, several development proposals are underway for "loft" housing in Yaletown; upper quality market condominiums are emerging along with office space in the City's core because of the bonusing system; and market housing development in Gastown is gaining momentum.

    In total, based on known proposals to date, the Downtown should add approximately 700 residential units to Vancouver's supply by 1986.

20. With regard to other major residential areas False Creek South and Champlain Heights will add several more units--approximately 2,600 more by 1986. Furthermore, through infilling and miscellaneous smaller developments, Vancouver's housing supply will continue to increase--albeit at a low rate.

21. In terms of non-market housing, definite plans have been revealed to construct approximately 650 units over the next five years. The majority of these units will be within Champlain Heights and False Creek South. This figure is probably conservative because it does not contain any provision for units on City-owned sites that total 80 acres but are in too early of planning stages to determine the probable magnitude or timing of development.

22. On an overall basis, by 1986 it is possible that a minimum of 3,500 new units could be added to Vancouver's housing stock. Of these, it is currently known that approximately 650 units would be non-market housing.

23. Based on two market-rationalized scenarios for determining the level of housing growth Vancouver City should be planning to absorb it was observed that:

    a. Should the City of Vancouver attempt to maintain its 1981 share of the GVRD housing stock, an additional 18,000 total units must be provided between 1981-1986 and 1986-1991. Thereafter, approximately 12,000 units would be warranted between 1991-1996 and 1996-2001.

This scenario could result in a population of approximately 416,000 residents by 1986, almost 441,000 persons by 1996 and almost 450,000 persons by 2001.

b. Should the City of Vancouver endeavour to maintain the trend in shares of GVRD absorption levels that it achieved during the past five years, the City's total housing requirements should approximate 12,000 units between 1981-1986; 11,000 units between 1986-1991; 8,000 units between 1991-1996 and 7,000 units between 1996-2001.

This scenario could result in only slight population changes from the estimated 1981 level of 403,200 persons. Specifically, the City's population could reach 403,424 persons by 1986, almost 404,500 persons by 1996 and almost 405,000 persons by 2001.

24. It is expected that over the study period downtown office employment growth in Vancouver will occur at a very strong pace. Five year period increases ranging from approximately 15,000-20,000 new office employees are likely.

Assuming 60 percent of these persons desire to live in the City the resultant figures indicated that 9,000-12,000 employees per five year interval could prefer Vancouver accommodations. It is recognized, however, that some of these prospective employees will already reside in the City.

25. As of 1979, City of Vancouver publications reported that an estimated 40,000 households required some form of housing/income assistance. Since that time, it is reasonable to speculate the situation has worsened.

26. Discussions held with officials/resource persons active in the non-market housing field revealed the <u>most prevalent</u> issues and concerns at this time include:

- the weakened effectiveness of existing government funding programmes, because of high land costs and high mortgage interest rates;
- difficulty in obtaining developable sites in the City of Vancouver, which is a preferred area for many of the market segments;
- general concern as to the length of time persons assisted under non-market housing programmes should receive subsidies.

27. In determining what a reasonable number of warranted non-market housing units should be for the City of Vancouver over the study period a "fair share" approach was employed. That is, the City's future contribution of non-market housing should at least equal, if not exceed, its historic share of the GVRD housing stock. Because of preceived pent-up demand and an expansion of the definition of those requiring housing assistance a share approximately 30 percent higher than the past five year average of 3.0 percent was applied for the 1981-1986 period, with slight increases thereafter. These forecast shares suggest additions to the supply of non-market housing which should average 700-800 units per year.

B.C. Place

28. The large size, proposed mix of uses and physical setting of B. C. Place all suggest that the site provides an opportunity for residential development that will be unparalleled in Vancouver.

29. From a locational standpoint (which is a primary determinant in a market study) living in the Downtown should be most appealing to those seeking a diversified and active social environment as well as proximity to a wide range of job opportunities and community services. Typically, these locational features are most appealing to singles or couples in the younger age groups as well as senior citizens.

30. It is felt that, although for the most part families will continue to prefer single-family detached units; there will also be a component of family households who could find living on B. C. Place attractive. This component can be approximated in a market analysis but any suggestions must be evaluated for their social and economic acceptability.

RECOMMENDATIONS

1. Because of rapidly diminishing opportunities for extensive residential development in Vancouver it is vital that the number of housing units on B. C. Place be maximized but only on the condition that the final density and mix are socially acceptable and that a healthy, viable community in which to live is produced.

   Because social and economic considerations are to be the basis of a subsequent, separate study; at this time density levels are suggested for illustrative purposes only. Thus, it is offered that should density levels range from 100-150 units per acre and, should 74 net acres be residentially developed as indicated by B. C. Place

Table 26

SUGGESTED HOUSING PROFILE FOR B. C. PLACE

Variable	Suggested Scenario Based on Market Study	Rationale
1. Ground Oriented	25 - 30%	Based on premise that one development priority should be to maximize number of residential units on B. C. Place but still offer some ground-oriented units to add diversity to the site's housing mix and satisfy needs of families with children. Suggested ranges are between those of False Creek South and the West End because it is felt higher densities could have been achieved in some parts of False Creek and the West End offers too few ground-oriented opportunities to be suitable for B. C. Place.
Apartment	75 - 70%	
Total	100 - 100%	
2. Market	80 - 60%	Based on Consultant's opinion that although B.C. Place is primarily suited to market housing, because of large demand for non-market housing and the current scarcity of available sites, it is felt that B. C. Place should have a small but significant share of non-market housing units.
Non-Market	20 - 40%	
Total	100 - 100%	
3. Families		Reflects Consultants' opinion that B. C. Place is locationally most suitable to satisfying needs of downtown employees and other market segments, such as senior citizens and single-parents who require proximity to public transit, and community services that B. C. Place can offer. For comparison with other areas of the City of Vancouver see Table 25.
with children	15 - 20%	
without children	30 - 35%	
Sub-Total	45 - 55%	
Non-Families	55 - 45%	
4. Avg. Household Size	Approx. 2.0	Reflects anticipated averaging of almost 50:50 split between total families and non-families as shown in 3.
5. Tenure of Occupant		Urbanics Consultants estimate of anticipated preference of occupants given experience in False Creek South as well as probable mix of family types in B. C. Place.
Owners	60%	
Renters	40%	
6. Avg. Overall Density (units/net acre)	100.0 150.0	150.0 is the maximum level as stipulated in the existing City Bylaw. 100.0 has been selected by the consultants as an illustrative level only because the resolution of optimal densities is best determined from subsequent economic and social impact studies.

officials, then B. C. Place could ultimately accommodate 7,400-11,100 housing units.

2. We recommend that B. C. Place's fullest development potential be reached through innovative design and construction techniques. Through the utilization of creative massing and stacking configurations as well as maximizing the sharing of common needs or facilities, we feel B. C. Place can reach a high level of residential capacity.

3. Because of the large increases programmed for the supply of Downtwon Vancouver office space in a City already experiencing a housing market faced with land constraints, it is essential that B. C. Place contain dwelling units suitable to prospective Downtown office employees.

4. Recognizing the ongoing demand for non-market housing and the limited number of suitable sites in the City it is recommended that B. C. Place accommodate a portion of this demand. A range of 20% - 40% of total units is suggested at this time. In terms of actual numbers, if B. C. Place were developed with 7,400 units then between 1,480-2,960 units should be devoted to non-market housing units. At 11,100 units, the corresponding figures would be 2,220-4,440 units. Again, this recommendation cannot be finalized until the economic and social implications are analyzed.

5. On an overall basis, we are suggesting that B. C. Place be primarily oriented toward market apartment units suitable for non-families and families without children. We also recommend a component of non-market housing and ground oriented units attractive to families with children. More specifically, our suggested housing profile for B. C. Place is described in Table 26 on the opposite page.

6. We are also recommending that further study be given to determining how the weakened effectiveness of the existing housing assistance programmes can be improved.

7. Finally, we strongly recommend that although this market study is the essential, initial step it is now vital that the market-rationalized recommendations be examined for their reasonableness from a social and economic perspective. In turn, the assimilation of findings from all of these analyses will lead to the formulation of an optimal housing development programme for B. C. Place.